

## ate Backup

### Part I. Housing & Real Estate Affordability

Housing is the single biggest cost to an Austin family. According to the Austin Board of Realtors, the median single-family home price increased 10.6% from September 2015 to September 2016<sup>1</sup>. According to the National Association of Home Builders, for every \$1,000 increase on the price of a median home, 1,285 Austin families are priced out of the market<sup>2</sup>. In order to address the rapidly rising cost of housing, both rental and home ownership, the City must make it a priority to build enough housing, of all different types throughout the City, to accommodate the current market demand, as well as the increase needed for projected population growth.

#### A. Housing Supply - Austin Strategic Housing Plan

Adopt the City of Austin ~~draft~~ Strategic Housing Plan<sup>3</sup>, including an approach for implementation, with aggressive goals for construction of housing units and for accessible housing for households at varying levels of median family income (MFI), Housing First, Permanent Support Housing units, and missing middle and workforce housing. The City shall prepare a report each year to track progress of these housing goals as adopted by the full City Council.

The City should ~~use embrace~~ a variety of tools available to incentivize affordable housing unit development, in accordance with the ~~draft~~ Strategic Housing Plan, including any changes to the Plan when adopted by Council, and continuing policies initiated in Council Resolution 20161013-008, which identified all city-owned properties that are suitable for development, and recommending other innovative policies ~~developing a policy~~ to utilize City-owned property in order to help meet these goals.

The City shall partner with the University of Texas to study the impacts of students on the housing market as it relates to the availability and cost of housing for non-students.

#### B. CodeNext - Predictable and Streamlined Outcomes

Set a Council ~~goal policy~~ that the City, with the support of the community, adopts and initiates implementation of CodeNext<sup>4</sup>, Austin's new land development code by April 2018. The new code should facilitate construction of enough commercial and residential units to meet Austin's projected population growth, provide regulatory predictability, provide for greater equity and parity throughout Austin, and expedite construction while maintaining Austin's quality of life. CodeNext should result in a land development code consistent with the goals and outcomes adopted in the Imagine Austin Comprehensive Plan<sup>5</sup>.

#### C. Reform the City's Permitting Process

<sup>1</sup> Austin Board of Realtors - September 2016 Market Report

<sup>2</sup> National Association Home Builders - Households Priced Out of Market by \$1,000 Increase

<sup>3</sup> Austin Strategic Housing Plan

<sup>4</sup> City of Austin CodeNext

<sup>5</sup> Imagine Austin Comprehensive Plan

In accordance with recommendations in the Zucker Report<sup>6</sup> and resulting departmental policies, ensure that the City's Development Services Department can achieve a goal of 90% permit review completion within 15 business days across all departments and disciplines by October 2018. Provide regular reports to Council on progress toward these goals starting in November 2018.

Consider transitioning the Development Services Department into a self-sufficient enterprise fund as recommended in the Zucker Report.

~~Initiate~~ **Consider the development** of an expedited site plan program by the Development Services department that is modeled on the City's residential expedited permit process.

Continue to fulfill the recommendations in the Zucker Report Part XIV, related to the use of technology in order to expedite and streamline the permitting process.

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## **Part II. Diversify the Economy & Support Local Businesses**

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One of the best ways to make Austin more affordable is to **invest in our people and our community and** ensure we have a diverse set of industries and job opportunities which provide local, skilled talent the opportunity to compete for jobs that allow them to be able to afford to live in Austin and move up the career ladder. Having diverse industries and thriving local businesses also keeps Austin's local economy competitive and more resilient to national economic downturns.

### **A. Regional Workforce Plan**

Support implementation of the **draft** Community Workforce Master Plan **draft** goal of **at least** 10,000 Travis County **and City of Austin** residents who are economically disadvantaged securing middle-skill jobs by 2022 including:

- **Using** regional workforce data on job openings to align training/certificate programs

Join and support the Direct-to-College 70 (DTC 70)<sup>7</sup> efforts around college completion and readiness, financial aid, and high school to college transitions.

### **B. Hometown Innovation**

Austin must encourage our own people to help create the companies that will become the next Dell, Cirrus Logic, or Whole Foods. The City's deferred compensation partner should consider the development of a fund, with a balanced portfolio of investments, by private sector investors to support Austin-based venture capital and angel investments in small, high-growth companies located within the Austin city limits.

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<sup>6</sup> Zucker Final Report

<sup>7</sup> Direct to College Achievement Plan

### C. Economic Development Policy

The City Manager shall make recommendations for ~~revising~~ **reforming** the City's economic development incentives policies, including a thorough examination of a full-range of incentive agreement options and tools, including, but not limited to, job-based, investment-based, and place-based incentives, as well as innovative financing mechanisms and the potential for matching funds from public, private sector, or non-profit entities, to result in more equitable and inclusive economic opportunities for all Austinites. The updated incentive policies should be aligned with Priority Programs of the Imagine Austin Comprehensive Plan, including Priority Program 3 (see definition below).<sup>8</sup>

Recommendations for ~~revising~~ **reforming** the City of Austin's economic development incentives policies should result in increased community benefits, including, but not limited to:

- Community benefits identified in the ~~current existing~~ City ~~of Austin~~ Economic Incentives Policy, including a provision of jobs that pay no less than the City's adopted living wage;
- The creation of middle-skill jobs in targeted occupations identified by the ~~most recent~~ Community Workforce Master Plan (currently Information Technology, Healthcare, and Skilled Trades), support for job training and paid internships or apprenticeships in targeted occupations industry clusters, and located within Imagine Austin Activity Centers and Corridors<sup>9</sup> and Job Centers in the Eastern Crescent;
- Increased employment among populations that are hard-to-employ;
- Increased access to goods and services in communities that are traditionally underinvested, including, but not limited to, opportunities for healthy food options in the Eastern Crescent;
- Increased availability of affordable commercial space for locally-owned small businesses including the creative arts sector;
- Development of vibrant, mixed-use commercial corridors and Imagine Austin Activity Centers;
- Leverage public investments to improve positive health outcomes for low-income residents.
- Retention of local small business employers struggling to survive and stay in Austin.

### D. Small & Locally-Owned Business Support

In order to address affordability issues facing Austin's existing small and locally-owned businesses<sup>10</sup>, the City shall convene a stakeholder process of locally-owned businesses and organizations to consider economic development policies, land use policies, incentives, and other programs to support our locally-owned, small businesses. The City Manager shall

<sup>8</sup> p.186, Imagine Austin, Priority Program 3 - "continue to grow Austin's economy by investing in our workforce, education systems, entrepreneurs, and local businesses.

<sup>9</sup> Imagine Austin Appendix D, Centers and Corridors (p. 310)

<sup>10</sup> Austin Independent Business Alliance - Being Vocal for Local

consider and make recommendations that include, but are not be limited to, the creation of a lead local business position in the Economic Development department, advertising and marketing locally-owned businesses and local-business districts to tourists, encouraging or incentivizing affordable lease or lease-to-own commercial space, and other policy options that will address affordability for Austin small and locally-owned businesses.

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### **Part III. Better Way of Budgeting**

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In the pursuit of spending tax dollars most efficiently, the City recognizes that there needs to be a new way of budgeting. It is not enough to simply roll the previous budget over year after year, simply adding to it, rather than ensuring all expenditures of City money achieve strategic goals and outcomes set out in the Strategic Plan and Imagine Austin.

#### **A. Biennial Budget - Review of City Programs & Expenditures**

City Council will work with the City Manager to biennially review all departments, associated programs and budget, allocated full-time equivalents (FTEs), and performance metrics and outcomes. Each city department will be reviewed once every 24 months, allowing for longer-term programming and evaluation periods. This will allow the City Council to more accurately measure return on investment, reprioritize funding where appropriate, and support programmatic expansions during a department's biennial review period.

#### **B. Utilize Performance Metrics & Strategic Plan**

Continue to work toward establishing and utilizing the City of Austin strategic plan, strategic outcomes, and associated performance metrics and ensure that City expenditures are directly aligned with the strategic plan and strategic outcomes. ~~prioritized to achieve those outcomes.~~

#### **C. Collaborate with Other Taxing Entities**

Identify new opportunities to collaborate with other taxing entities (counties, school districts, Capital Metro, health districts, or Austin Community College District) on services, contracts, or facilities with the intent to reduce the overall cost of those expenditures, consistent with the Regional Affordability Master Strategic Plan<sup>11</sup>.

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### **Part IV. Cost of Living & Doing Business in Austin**

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The City can directly affect affordability through taxes, utility bills, and fees that are determined by the City Council each year through the budget process. The cumulative impact of all local government taxes, bills, and

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<sup>11</sup> [Regional Affordability Committee Website](#)

fees is a significant cost for Austin families. According to the City of Austin, City property taxes have increased 29.2%<sup>12</sup> from 2012 to 2017, while income has only increased 3.7%. It is important that the City address the rising costs of City services for renters, homeowners and businesses.

#### A. Property Tax Bill

Present a budget that has no increase to property tax bills for Austin businesses, property owners, and homeowners. By presenting a budget illustration at the effective tax rate<sup>13</sup>, which includes the same amount of property tax revenue as the previous fiscal year, plus all additional revenue associated with growth, which allows homeowners and business owners to benefit from growth paying for itself the “growth dividend” and pay the same amount in property taxes as in the previous fiscal year. The City Council may choose to prioritize additional expenditures in the General Fund based on the outcome of the biennial budgeting and department review process.

#### B. Prioritize Health & Human Service Contracts

Prioritizing contracts with basic health and social services providers strengthens a safety net for those in the community with limited incomes and resources. Prioritize funding necessary, based on performance measures, for increases to Health and Human Services Department contracts in each of the next 4 years. Establish performance metrics for each expenditure in order to align those with the City Council’s strategic outcomes.

#### C. Utility Rates and Fees

Present a budget illustration that has no increase to Austin Energy and Austin Water utility rates (Austin Energy, Austin Water, Austin Resource Recovery) or the major City of Austin fees (Drainage Fee, Transportation User Fee, and Clean Community Fee).

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### Part V. Affordable & Accessible Transportation

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Transportation is the second highest family cost. According to the City of Austin Budget Office, transportation is one of the highest costs in Austinites’ households budgets. When it is difficult to move freely around Austin, access to services and economic opportunities are limited. Time spent commuting leaves less room for family obligations and community involvement; and Austin becomes a more isolating place. Continuing these actions will help provide Austinites with affordable and accessible transportation:

- Improve transportation choices to make the transportation system more convenient, reliable, and affordable for all Austinites.
- Continue to collaborate with regional transportation planning organizations to identify and develop solutions for major regional roadways which will help alleviate traffic congestion.

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<sup>12</sup> City of Austin Approved Budget, FY2011/12 and Approved Budget FY2016/17

<sup>13</sup> Texas Comptroller Truth in Taxation - Effective Tax Rate

- Invest in active transportation infrastructure networks where appropriate and will have a demonstrated, positive impact on reducing single occupancy vehicle trips.
- Work with the City Manager and the Citizen's Bond Oversight Commission to ensure that projects approved by voters in the 2016 Mobility Bond are completed on time and on budget.
- Continue to encourage and support telecommuting, flex scheduling, and other transportation demand management strategies as was shown effective based on the outcomes of Council Resolution 20121206-07.
- ~~➤ Provide a fair regulatory environment for innovative mobility service providers and innovative and emerging transportation technologies.~~
- ~~➤ Request that the Capital Metro Board of Directors consider the financial impact for implementation of free fares for seniors and disabled residents.~~
- In partnership with the Capital Metro Connections 2025 Plan, ensure that continue to support Capital Metro efforts to provides accessible, affordable bus service to the expanding geographical boundaries of the City ~~all parts~~ of Austin.